



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF STATE LANDS AND FORESTRY

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

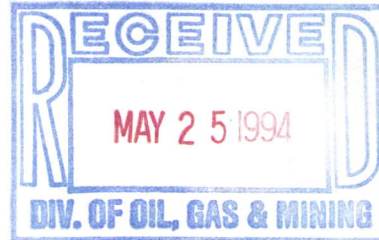
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5/025/012

May 24, 1994

Trevor & Robert Leach
171 South 400 East
Kanab, UT 84741



RE: ML 45962, Section 16, T40S, R5W, SLB&M
S/025/012 Kane County

Gentlemen:

Thank you for taking time to meet with me in Kane County last week to discuss concerns over the mine haul road crossing your property.

The division sold the surface of Section 16 in 1935 with an express reservation of minerals and rights of ways to the state. The division maintains that its mineral lessee's have a legal right to cross Section 16 in order to exercise the state mineral rights.

I believe that the most reasonable route across Section 16 to reach Andrew Edwards' mine is the road that was originally opened up for that purpose by Trevor Leach. Mr. Edwards is upgrading the road to meet specifications for ore hauling trucks. As we visited the site last week the road across Section 16 was still under construction and a large amount of surface disturbance was understandably present. The finished road will entail a smaller area of permanent disturbance and will be maintained by Mr. Edwards in an environmentally responsible manner.

The division holds a bond to ensure that surface disturbances associated with Mr. Edwards's operations in Section 16, including the mine haul road, are adequately reclaimed at the conclusion of mining.

As promised, I have asked the Division of Oil, Gas & Mining to examine the design and construction of the mine haul road across Section 16. DOGM indicated that it may do so in association with its review of a large mine permit application which is on file for the project. Meanwhile, Mr. Edwards may continue to improve and utilize the present road.

Sincerely,

JOHN T. BLAKE

MINERAL RESOURCES SPECIALIST

JTB/tdw

cc: Wayne Hedberg
Andrew Edwards